

**SEAMS WORK GROUP**  
**SUMMARY OF ACTIVITIES AND RECOMMENDATIONS**  
**September 15, 2000**

The RTO West Seams Work Group was formed to address the requirements of FERC's Order 2000 RTO Function Number 8– Interregional Coordination. Specifically, the work group was asked by the Regional Representatives to deal with the following issues (complete issues list and FERC discussion of Interregional Coordination is included as Attachment 1):

Price reciprocity and other seams issues: FERC wants RTO proposals to address seams issues. A task force should (i) attempt to negotiate the reciprocal elimination of pancake transmission charges between the Northwest RTO and the California ISO and any other RTOs that will operate in the WSCC, so as to permit pricing as if there were only one RTO while minimizing the impact of cost shifts among such RTOs and ISO and (ii) recommend any operational features in the Northwest RTO needed to reduce scheduling, congestion and other issues at the seams between the Northwest RTO and the California ISO. Integration and coordination with Canadian entities should be addressed. Also to be addressed are seams issues with transmission-owning utilities within the RTO but not a part of it. Roles and responsibility for reliability should be addressed.

**Members Of The Work Group**

Attachment 2 lists those individuals who were included on the Seams Work Group email list. Not all individuals listed were active participants in the work group.

**Initial Work Group Focus**

The work group's initial focus was to:

1. Identify potential seams issues that fell within the scope of the above, to categorize the issues as to which work group should be responsible for addressing the issue and in what manner and timeframe.
2. Working with the WSCC Market Interface Committee, facilitate a two-day Seams Workshop addressing seams issue within the WSCC region.

**Initial Work Group Issue List**

The work group identified an extensive list of potential seams issues as partially summarized in Attachment 3 which fall roughly into the following groupings:

1. Price Reciprocity
2. Congestion at the Seams
3. Operations and Scheduling

4. Related Operational Issues
5. Integration/Coordination with Canada
6. Internal Seams
7. Reliability Roles and Responsibilities

### **Classification of Issues**

The work group developed an issue classification system that was used to place issues into one of seven categories as summarized below:

1. Issue that requires additional guidance from the RRG
2. Issue is not an RTO issue and therefore not one the work group needs to consider further.
3. Issue is a seams issue that should be the responsibility of another work group.
4. Issue that should be handled by an existing organization (WMIC for example)
5. Issue that should be the responsibility of a yet to be developed organization (WIO for example).
6. Issue to be dealt with by the RTO following its formation.
7. Issue to be dealt with by the work group either by developing a solution or a process that would lead to resolution.

As a result of the issue classification many issues were directed to other work groups to address as a normal part of their work group's activities. This included nearly all of the internal seams issues and many of the system dispatch and emergency response procedures issues.

At the conclusion of this effort a number of issues remained within the scope of the Seams Work Group as summarized below:

1. Major Loop Flow
2. Congestion Management and FTRs at the Seams
3. Curtailment Procedures
4. Coordination of Commercial Practices
5. Coordination of Changing Commercial Practices
6. Coordinated Outage Planning
7. Price Reciprocity
8. Agreements with Adjacent Control Areas (internal and external)
9. Roles/Responsibilities

### **Canadian Participation**

Initially, a seam (RTO boundary) was assumed to exist at the US – Canadian border based upon the expectation that Canadian transmission owners would not be joining the RTO at its inception. Following formation of the US-Canadian Adjunct Committee, whose goal was to pursue Canadian participation in RTO West from its inception, the northern RTO West seam was assumed to be at the BC to Alberta border. This

assumption was made on the basis that British Columbia expressed plans to join the RTO at the time it is formed and Alberta's plans reflected the potential for joining at a later date.

From this point forward the US – British Columbia “seam” was internalized and issues related to this “seam” were dealt with like other internal seams issues were by the various work groups. To our knowledge this will be the first instance in any RTO where seams issues at the US – Canadian border have been internalized.

In the course of working through some of these internal issues in other work groups it was found necessary to allow for some differences across the US- Canadian seam based upon the differences in regulatory and/or legal jurisdiction. While this was necessary in some cases, it was accomplished in a manner that did not create commercial “seams” at the border. For example in implementing the single control area approach adopted for the RTO, some implementation differences will exist to meet British Columbia statutory requirements, however these differences will be implemented in a way that supports the ancillary services policy of developing RTO wide markets, deployment and settlements (unless precluded by BC regulation). For a complete discussion of this issue see the separate Ancillary Services Work Group Final Report.

### **Seams Workshops**

A two-day workshop was held in Salt Lake City on June 20 and 21, 2000. FERC representatives attended both days of the workshop. The workshop was very well attended and resulted in attendees having a higher level of understanding of the issues and potential solutions.

The first day of the workshop focused on the discussion of issues on a WSCC wide basis. Representatives from the California ISO, Canada, Desert Star RTO, Rocky Mountain RTO, Mountain West ISA, and an individual experienced with market operations in the eastern ISO regions participated in a panel session describing issues and approaches to resolve seams issues. A copy of the workshop agenda is included as Attachment 4 and a copy of the presentations is included as Attachment 5. The remainder of the first day was devoted to understanding the seams issues in the following areas:

- Congestion Management at the Seams
- FTRs at the Seams
- Major Loop Flow
- Curtailed Procedures
- Coordination of Commercial Practices across the Seams
- Price Reciprocity
- Coordinated Outage Planning
- Roles and Responsibilities

Comments and questions raised recorded during these sessions are included as Attachment 6.

The second day of the workshop focused on the four highest priority seams issues that the RTO West Seams Work Group identified. An agenda is included as Attachment 7. The four highest priority issues were:

- Congestion Management at the Seams
- Coordinating the Development/Modification of Commercial
- Scheduling and Settlement Practices
- Curtailment Practices at the Seams
- Price Reciprocity

The workshop sessions focused on potential solutions to these issues. Comments and suggestion from these sessions are included as Attachment 8.

### **Price Reciprocity**

The work group made a number of suggestions to the Transmission Pricing Work Group who was responsible for dealing with the potential for an export charge, which would eventually be considered for elimination under a reciprocity agreement with a RTO neighbor.

### **Work Group Recommendations**

Following several work group meetings a number of recommendations were made to the Regional Representatives Group on August 2, 2000. The presentation made to the RRG is included as Attachment 9 and summarized below.

The recommendations to the RRG are highlighted below:

1. Begin the dialog with neighboring entities including the California ISO, DSTAR and others as time permits.
2. Establish a process to deal with seams issues with neighboring entities.
3. Establish a business relationship (similar to an interconnection agreement) that, at a minimum, would address reliability standards, monetizing settlements at the seams (internal and external) and dispute resolution procedures.

A list of potential issues and areas to be addressed in the recommended dialog is also included in the attached RRG presentation.

The RRG requested that, in addition to the items recommended, that the group make certain to address any generic internal seams issues not being addressed by other RTO West work groups. After polling individuals on the Seams Work Group, the RRG and those involved with other work groups no internal seams issues were identified that were not being dealt with by one of the RTO workgroups.

As follow up to the RRG recommendations a meeting was held with the California ISO to discuss seams issues as discussed below. In addition, at the time of writing this report effort was underway to arrange a similar meeting with DSTAR representatives.

### **Meeting With California ISO**

A meeting was held on August 14, 2000 between a subset of the work group and representatives of the Cal ISO to begin the seams dialog. An agenda for the meeting and minutes are included as Attachment 10. The next steps identified included:

1. Arrange a follow-up meeting to discuss the way in which congestion management will function at the California Oregon Interface. Attendees to include individuals from both regions possessing in depth knowledge of the current practices and the planned approaches being considered. The meeting should be scheduled in early September following the adoption of a congestion management approach for use within the RTO West.
2. Develop an agreement between the two regions that memorializes their commitment to work together to resolve seams issues.

### **RTO Commitment To Regional Coordination**

As part of the recommendation to the RRG and as discussed with the Cal ISO a draft agreement committing RTOs to work together on regional reliability and market efficiency was developed and is included as Attachment 11. The draft agreement was written shortly before this final report was completed so there was limited time available to get feedback from all of the Cal ISO meeting attendees.

### **Final Comments**

Listed below are the final comments of the work group:

The work group recommends a continuation of the high priority that has been placed upon regional coordination by those directing the effort to form RTO West. Individuals in the work group that are participating in several RTO formations have expressed appreciation that RTO West has taken such an active role in understanding and addressing seams issues and encourages them to continue to do so in the future.

The group recommends that follow up to the efforts already initiated by RTO West continue through the RTO formation stages including follow up to the successful region-wide workshops and discussions with Cal ISO and DSTAR and continued working with the WMIC as well as helping to shape the role and responsibility of the WIO. This ongoing effort during the RTO formation stage will allow seams issues to be addressed as functions are defined and systems are designed and procured.

## **List Of Attachments**

1. RTO West Issues List and FERC Interregional Function 8
2. Work Group Members
3. Initial List of Issues
4. Seams Workshop Day 1 Agenda
5. Seams Workshop Day 1 Presentations
6. Seams Workshop Day 1 Comments/Questions
7. Seams Workshop Day 2 Agenda
8. Seams Workshop Day 2 Comments/Questions
9. RRG Presentation August 2, 2000
10. Cal ISO – RTO West Seams Meeting
11. Draft Commitment To Regional Coordination

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